



SENATE BILL 741: Bladen, Columbus, Franklin/Tax Cert

2013-2014 General Assembly

Committee: House Finance
Introduced by: Sen. Barefoot
Analysis of: PCS to Second Edition
S741-CSTM-57

Date: June 19, 2014
Prepared by: Greg Roney
Committee Counsel

SUMMARY: *The PCS to S741 would authorize Bladen, Columbus, Franklin, and Hoke Counties to require payment of delinquent property taxes prior to recording deeds conveying property.*

Compared to the second edition of the bill, the PCS adds Hoke County to the list of counties.

CURRENT LAW: G.S. 161-31(a) allows a county board of commissioners, by resolution, to require the register of deeds not to accept any deed transferring real property for registration unless the county tax collector has certified that no delinquent ad valorem county taxes, ad valorem municipal taxes, or other taxes with which the collector is charged are a lien on the property described in the deed. The county commissioners may describe the form the certification must take in its resolution.¹

G.S. 161-31(a1) provides an exception. It requires the register of deeds to accept, without certification, a deed containing the following statement: "This instrument prepared by: _____, a licensed North Carolina attorney. Delinquent taxes, if any, to be paid by the closing attorney to the county tax collector upon disbursement of closing proceeds."

BILL ANALYSIS: The bill amends G.S. 161-31(b) to add Bladen, Columbus, Franklin, and Hoke Counties to the list of counties in which the board of commissioners is permitted to pass a resolution requiring the register of deeds not to accept any deed transferring real property unless the county tax collector certifies that the taxes listed in the statute are not delinquent and are not a lien on the property.

EFFECTIVE DATE: S741 would be effective when it becomes law.

BACKGROUND: The following 4 counties have a similar requirement but under different authorizing legislation:

Avery County	Chapter 305 of the 1963 Session Laws, as amended by S.L. 1997-410 and S.L. 1998-73
Ashe County	S.L. 1993-657, as amended by S.L. 1997-410 and S.L. 2005-433
Alleghany County	S.L. 1997-410
Mitchell County	S.L. 1987-537, as amended by S.L. 1997-410 and S.L. 1999-326

These local acts provide that the Register of Deeds shall not record any deed unless it is accompanied by a certification that all delinquent taxes have been paid. These local acts are in contrast to G.S. 161-31, which gives certain counties the discretion to pass a resolution to that effect.

Trina Griffin and Heather Fennell substantially contributed to this summary.

¹ G.S. 161-31 applies to the following 75 counties: Alamance, Alexander, Anson, Beaufort, Bertie, Brunswick, Buncombe, Burke, Cabarrus, Camden, Carteret, Caswell, Catawba, Cherokee, Chowan, Clay, Cleveland, Currituck, Dare, Davidson, Davie, Duplin, Durham, Edgecombe, Forsyth, Gaston, Gates, Graham, Granville, Greene, Halifax, Harnett, Haywood, Henderson, Hertford, Hyde, Iredell, Jackson, Johnston, Jones, Lee, Lenoir, Lincoln, Macon, Madison, Martin, McDowell, Montgomery, Nash, Northampton, Onslow, Pasquotank, Pender, Perquimans, Person, Pitt, Polk, Robeson, Rockingham, Rowan, Rutherford, Sampson, Stanly, Stokes, Surry, Swain, Transylvania, Tyrrell, Vance, Warren, Washington, Wayne, Wilson, Yadkin, and Yancey.



